2014

Maryland Green Purchasing Committee Annual Report



DGS Staff:

Anne Jackson

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Maryland Green Purchasing Committee

October 1, 2014

Lt. Governor



Maryland Department of General Services

Office of the Secretary

October 1, 2014

The Honorable Martin O'Malley Governor of Maryland

The Honorable Thomas V. Mike Miller, Jr. President of the Senate

The Honorable Michael E. Busch Speaker of the House of Delegates

Gentlemen:

The Green Purchasing Committee, created by Chapter 593 of the Acts of 2010, is privileged to present to you its 2014 annual report.

This year House Bill 629 (Chapter 604) was passed unanimously by the General Assembly and signed into law by Governor O'Malley on May 15, 2014. This Act updates the membership and requirements of the Maryland Green Purchasing Committee, allowing the committee to more effectively advance environmentally preferable purchasing in Maryland.

In 2014, the Committee continued to promote environmentally preferable purchasing through its quarterly newsletter, which highlights activities, events and environmentally preferable product and service information.

This year the Committee also hosted its first "Green Purchasing Summer Conference" to provide educational opportunities and resources on green purchasing to procurement officials and to highlight green products available on statewide contracts. The event – held July 17, 2014 – attracted nearly 200 procurement officials from state agencies, local governments and school districts across the State.

The Committee will continue to issue guidance to State units on the procurement of goods and services that will advance environmentally preferable, socially responsible and economically sound practices.

Sincerely,

Alvin C. Collins

all

Secretary



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Introduction

The Green Purchasing Committee is required to provide assistance to State units in developing strategies and best practices for implementing environmentally preferable purchasing practices; developing and maintaining environmentally preferable procurement specifications; issuing and maintaining purchasing guidelines; and reporting annually to the Governor and Legislature on its activities.

This year House Bill 629 - Environmentally Preferable Procurement, signed into law as Chapter 604 on May 15, 2014 and taking effect on October 1, 2014, updates the membership and requirements of the Maryland Green Purchasing Committee while allowing the committee to more effectively advance environmentally preferable purchasing.

In July the Committee hosted its first "Green Purchasing Summer Conference" to educate public procurement officials, provide resources on green purchasing and highlight green products available on statewide contracts.

In 2014, the Committee also continued to publish its quarterly newsletter, host educational presentations at its meetings and add to its published specifications.

The Committee will continue to provide assistance to state units as it relates to environmentally preferable purchasing. The Committee's work on this initiative will provide benefits to the health and wellbeing of Maryland citizens and environment.

"Clearly, savings in electricity, fuels, greenhouse gas emissions, natural resources, water, and so forth are sustainable. Savings, whether achieved through reduction, conservation, preservation, recycling, or other means are cost reductions. Cost reductions are the province of purchasing and thus the inviolable contention that purchasing pros can and must lead the green revolution."

Preface from <u>"Green</u>
 <u>Purchasing and</u>
 <u>Sustainability"</u> by
 Robert Menard

Statutory Department Members/Designees

GENERAL SERVICES

Alvin Collins, Secretary | 301 W. Preston Street, Baltimore, MD 21201 | 410-260-2900 | Alvin.Collins@dgs.state.md.us

DOING GREAT SERVICE

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ENVIRONMENT

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BUSINESS AND ECONOMIC DEVELOPMENT

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TRANSPORTATION

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University of Maryland System

James Salt, Assistant Vice Chancellor | 3300 Metzerott Road, Adelphi, MD 20783 | 301-445-1987 | <u>isalt@usmd.edu</u>



Subcommittees

LEGISLATIVE REVIEW/POLICY SUBCOMMITTEE

ELLEN ROBERTSON, DGS

The Legislative Review/Policy Subcommittee is responsible for identifying and reviewing legislation that may impact the work of the Green Purchasing Committee, as well as considering and implementing policy related to the Green Maryland Act. The subcommittee will also suggest what comment or action the Committee should consider as it relates to specific legislation.

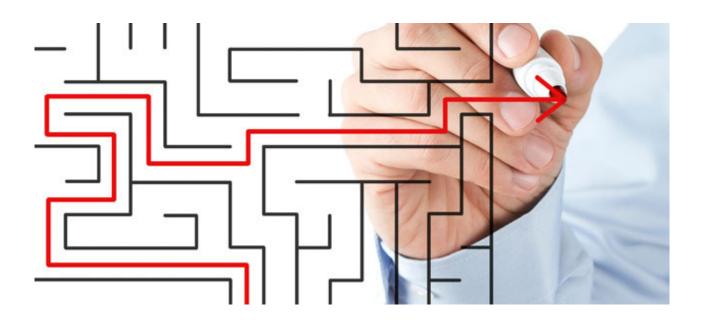
The following subcommittees were dissolved by the Green Purchasing Committee in 2014 to be replaced with working groups as necessary:

STRATEGY/COMMUNICATIONS SUBCOMMITTEE

ENERGY SUBCOMMITTEE

REPORTING SUBCOMMITTEE

SPECIFICATIONS SUBCOMMITTEE



Report

In 2014, the Maryland Green Purchasing Committee made progress in moving Maryland forward with environmentally preferable purchasing through new legislation, events, education, outreach, and the creation of environmentally preferable product and service specifications.

House Bill 629

House Bill 629 was passed unanimously by the Maryland General Assembly and signed into law by Governor O'Malley on May 15, 2014. The bill amended State Finance and Procurement Articles §14–405 and §14–410 of the Annotated Code of Maryland. Among the changes enacted are new reporting requirements for Environmentally Preferable Purchasing. Agencies will now report annually to the Department of General Services on the procurement of environmentally preferable products and services, effective October 1, 2014.

In accordance with State Finance and Procurement Article, §14–405 section D, amended:

"On or before September 1 of each year, each State unit shall report to the Department of General Services on the unit's procurement of environmentally preferable products and services as a percentage of the unit's gross purchases during the preceding fiscal year, including the types and quantities of products and services procured."



House Bill 629 also added the following members to the Committee:

Information Technology, The Secretary of Information Technology or the Secretary's designee. **EDUCATION,** The Secretary of Education or the Secretary's designee.

TREASURY, The State Treasurer or the Treasurer's designee.

Additionally, this Act grants the Committee authority to recognize a variety of attributes as environmentally preferable in order to publish and maintain environmentally preferable purchasing specifications.

Quarterly Newsletter

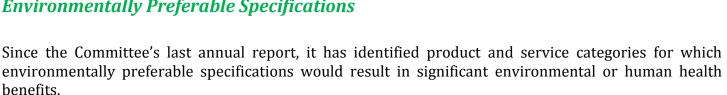
The Committee continued to publish its quarterly newsletter in 2014, with information on upcoming events, news and a product or service focus feature providing in depth information.

The product or service focus in the newsletter is chosen to align with the preferred specifications developed by the Committee. The detailed information found in the newsletters can then be used as a reference for procurement officials using committee approved specifications.

In 2014, the Committee's newsletters featured a focus on the following products and services:

- Ianitorial Supplies
- Toner and Ink Cartridges
- **Ianitorial Services**

Environmentally Preferable Specifications



In December 2013, the Committee approved Environmentally Preferable Specifications for:

- Appliances and Heating & Cooling Equipment
- **Lighting Products**
- **Disposable Food Service Supplies**
- Electronic Product Disposal
- **Electronic and IT Products**

In April 2014, the Committee approved Environmentally Preferable Specifications for:

- **Janitorial Supplies**
- Paper and Office Supplies
- Shell Eggs
- Paint
- **Organics Recycling**

The Committee is developing additional environmentally preferable specifications for Tires, Vehicles, Office Furniture, Deicers, and Janitorial Services. New specifications will be published as they are developed and approved by the Committee.



2014 Green Purchasing Committee Summer Conference

Maryland Green Purchasing Committee Summer Conference

Thursday July 17, 2014

The Committee hosted its first "Green Purchasing Summer Conference" to educate public procurement officials, provide resources on green purchasing and highlight green products available on statewide contracts.

DGS Secretary Alvin Collins, Chair of the Maryland Green Purchasing Committee, welcomed the Honorable Nancy Kopp, Treasurer of Maryland as well as Alicia Culver, Director of the Responsible Purchasing Network, as the keynote speakers for the conference.

Treasurer Kopp spoke about the importance of environmentally preferable purchasing to the state's long term environmental and economic sustainability.



From Left: DGS staff James Ley, DGS Secretary Alvin Collins, Responsible Purchasing Network Director Alicia Culver, Treasurer of Maryland Nancy Kopp, DGS Sustainability Officer Anne Jackson

In addition to keynote speakers Alicia Culver and Treasurer Kopp, the conference included six education sessions:

- Make Your Office Electronics Environmentally Sustainable: The State Electronics Challenge
- Environmentally Preferable Janitorial Supplies and Services
- Opportunities for Organics Recycling
- Developing an Environmentally Preferable Purchasing Program in Maryland
- Lighting Products and Energy Savings

• Alternative Fuel Fleet Strategies

An exhibitor show included 22 exhibitor companies with state contracts.

The event attracted nearly 200 procurement officials from across the State, representing:

Allegany County Board of Education
Anne Arundel County Dept. of Social Services
Anne Arundel County Public Schools
Baltimore City Public Schools
Baltimore County Environmental Protection
Baltimore County Government
Baltimore County Public Schools
Cecil County Public Schools
City of Bowie
City of Rockville
City of Takoma Park
Clifton T. Perkins Hospital Center

Eastern Correctional Institution
Frederick County Office of Sustainability
Frederick County Public Schools
Harford County Public Schools
Maryland Dept. of Agriculture
Maryland Dept. of Budget and Management
Maryland Dept. of Environment
Maryland Dept. of General Services
Maryland Dept. of Health and Mental Hygiene
Maryland Dept. of Information Technology
Maryland Dept. of Transportation

Maryland Dept. of Natural Resources Maryland Environmental Service Maryland Green Building Council Maryland Food Center Authority Maryland Military Department Maryland Motor Vehicle Administration Maryland Port Administration Maryland School for the Deaf Maryland Stadium Authority Maryland State Highway Administration Maryland Transportation Authority Maryland-National Capital Park and Planning Commission **Montgomery County Government** Prince George's County Office of Child Support Prince George's County Government **Prince Georges County Public Schools** Queen Anne's County Public Schools Spring Grove Hospital Center University of Baltimore University of Maryland, University College University of Maryland, Baltimore Washington County Purchasing

Wicomico County Board of Education

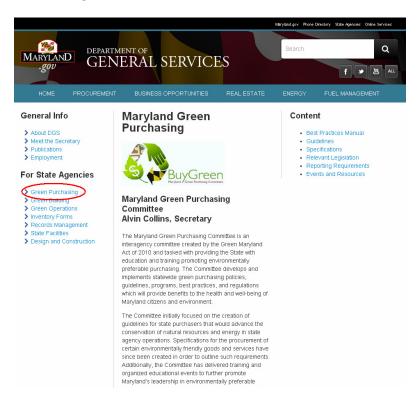


Web Presence

The Committee continues to maintain resources accessible to procurement professionals courtesy of the DGS website. A "Green Purchasing" menu item on the DGS homepage links viewers to information about the Committee, its members; the Committee's Green Purchasing Guidelines and Specifications; the Committee's Annual Reports, Relevant Legislation; and Events and Resources. The Committee events are updated and presented automatically thanks to integration with Google calendar.

New guidelines and specifications are uploaded to the website as they are created and approved by the Committee.

Current and past quarterly newsletters as well as the product and service focus features are also all available on the "Green Purchasing" section of the DGS website.



Meetings

The GPC meets as required, but no less than bi-monthly, to satisfy the Committee's responsibilities. Meeting attendance and minutes are recorded.

October 2013 Meeting - Presentation by Maryland Correctional Enterprises

Maryland Correctional Enterprises (MCE), the prison industry arm of the Department of Public Safety & Correctional Services (DPSCS), presented at the Committee's October meeting.

MCE reviewed its financially self-supporting "Learning for Life" program to train and employ offenders in manufacturing business units located in major State prisons and the environmentally preferable products and services they provide to state and local government and non-profit organizations.

MCE noted that its education requirements and the development of technical and social skills improve the employability of offenders upon release, leading to recidivism rates that are half that of the general prison population.

SCS Global Services Indoor Air Quality Certified Furniture

• Desks, workstations, storage and tables, as well as task and side seating and stools.

Furniture Restoration

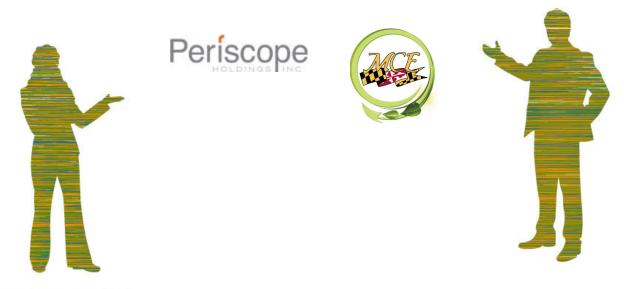
- Seating re-upholstery, foam and cushion replacement, webbing, joint gluing and replacing parts.
- Wood Furniture stripping old finishes, re-staining, refinishing, and the replacement of desk tops and missing hardware.
- Student Desks resurfacing tops, painting and welding metal components and replacement glides. Agricultural Services
 - Growing and planting bay grasses to prevent erosion and sustain the health of the Chesapeake Bay.
 - Building oyster cages to house mature oysters that provide filtration to maintain the cleanliness of the Bay.
 - Reforesting of disturbed land through tree planting at national parks and along highways.

Surplus (Removal/Disposal) Services

• Pick-up and sorting of used furniture items for recycling.

Remanufactured toner and toner recycling

• Recycling of toner cartridges and sale of recycled toner cartridges.



<u>**June 2014 Meeting - Presentation by Periscope Holdings**</u>

Matt Walker of Periscope Holdings presented on National Institute of Governmental Purchasing (NIGP) codes during the June meeting. Periscope works with public entities and private companies as the sole custodian of the NIGP Commodity/Services Code. The State of Maryland uses this code structure for standardization in the procurement process. Matt's presentation touched on code history, use, structure, incorporation of user feedback, and "greening of the code," especially as it relates to the Committee's reporting requirements for state agencies.

Environmentally Preferable Purchasing Best Practices

The Committee will continue to solicit input from procurement professionals and users throughout the State regarding best practices in public procurement. Best practices are developed by examining successful initiatives within Maryland and in other states and jurisdictions.

An update to the Committee's Environmentally Preferable Purchasing Best Practices Manual is being published in 2014 in order to provide a useful guide to environmentally preferable purchasing in Maryland.

Reporting Requirements

The Green Purchasing Committee has developed a framework for agencies to report spend in five purchasing categories for FY 2015:

- 1. Janitorial Supplies
- 2. Disposable Food Service Products
- 3. Paper and Office Supplies
- 4. Paint
- 5. Electronic and IT Products

Reports for 4 out of the 5 categories will be based on National Institute of Governmental Purchasing (NIGP) codes used to identify products and services certified to meet environmentally preferable specifications. The 5^{th} category – Electronic and IT Products – will be based on EPEAT certification.

The Maryland Green Purchasing Committee has referenced the following resources in developing its Best Practices Manual:

US General Services Administration

Sustainable Faculties Tool

US Environmental Protection Agency

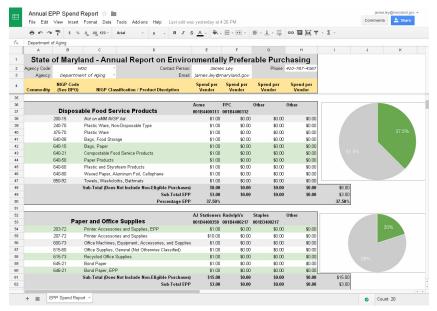
<u>Comprehensive Procurement</u> <u>Guidelines</u>

<u>California Department of</u> <u>General Services</u>

Buying Green Guide

Massachusetts Executive Office for Administration and Finance

Environmentally Preferable
Products on Statewide
Contract



DGS and the Green Purchasing Committee will work with each cabinet department to coordinate reporting by September 1, 2015.

State of Maryland Procurement Background¹

In fiscal year 2013, the State procured over \$5.4 billion in goods and services which is a 28.3% decrease from FY 2012. This total represents the award amount, which includes multi-year contracts, but does not include procurements by the University System of Maryland, Morgan State University, or St. Mary's College of Maryland.

Fiscal Year 2012 Summary

Categories of Work	Contract Award Amount - State Agencies other than MDOT	Contract Award Amount - MDOT
Commodities, Supplies, and Equipment	\$247,888,324	\$115,205,466
Services	\$3,829,207,342	\$223,424,330
Architect and Engineering	\$13,995,172	\$144,426,438
Human, Cultural, Social and Educational	\$618,985,736	
IT	\$419,228,415	\$33,930,813
IT Hardware	\$4,690,862	\$17,873,114
IT Software	\$5,509,651	\$11,551,482
Construction	\$320,853,067	\$743,381,231
Construction-Related Services	\$1,248,037	\$18,351,414
Capital Equipment	\$5,115,211	\$1,608,887
Maintenance	\$387,286,855	\$214,212,815
Energy Performance	\$2	
Leases Other Than real Property	\$1,007,952	\$227,488
Revenue	\$44,761,180	\$153,080,699
Totals	\$5,899,777,807	\$1,677,274,178

Fiscal Year 2013 Summary

Categories of Work	Contract Award Amount - State Agencies other than MDOT	Contract Award Amount - MDOT
Commodities, Supplies, and Equipment	\$201,484,052	\$136,222,619
Services	\$1,069,227,138	\$554,635,144
Architect and Engineering	\$6,772,472	\$218,326,421
Human, Cultural, Social and Educational Services	\$825,378,832	
IT	\$317,784,078	\$30,453,760
IT Hardware	\$100,213,106	\$10,300,988
IT Software	\$61,218,154	\$8,362,040
Construction	\$371,298,497	\$656,262,596
Construction-Related Services	\$1,646,479	\$1,658,811
Capital Equipment	\$93,659	\$803,875
Maintenance	\$70,634,278	\$781,562,199
Energy Performance	\$196,707	
Leases Other Than Real Property	\$877,118	\$384,598
Revenue	\$9,461,873	
Totals	\$3,036,286,443	\$2,398,973,051

Related Regulations and Statutes

There are several existing statutes and regulations which are relevant to Environmentally Preferable Purchasing (EPP). Following is a brief summary of the existing statutes and regulations:

REGULATION	TITLE
01.01.1991.20	Conservation of Paper by Units of State Government
01.01.1993.20	Alternative Fueled Vehicles
01.01.2001.02	Sustaining Maryland's Future with Clean Power, Green Buildings and Energy Efficiency
01.01.2001.06	Water Conservation by State Agencies
01.01.2003.49	Pesticide Advisory Committee
21.04.01.02	General Purpose
21.11.07.01	Definitions
21.11.07.03	Recycled Paper Purchases
21.11.07.04	Low Noise Supplies

¹ Maryland Board of Public Works '2013 Procurement Advisory Report' http://bpw.maryland.gov/publications/2013-Procurement-Advisors-Report.pdf

21.11.07.07	Mercury and Products that Contain Mercury
21.11.07.08	Locally Grown Foods
21.11.07.09	Environmentally Preferable Purchasing
21.11.07.10	Compost
21.11.07.11	Energy Efficient Outdoor Lighting Fixtures
21.11.07.13	Purchasing Electronic Products
21.13.01.14	Report on Green Purchasing

STATUTE	SUBJECT
§14-402	Recycled Content
§14-403	Quiet Supplies
§14-405	EPP and EPP Reporting
§14-406	Price Preference for Mercury Free Products
§14-407	Locally Grown Foods
§14-408	Biodiesel Fuel
§14-409	Compost
§14-410	Maryland Green Purchasing Committee
§14-414	Electronic Products
§14-414	Electronics Recycler

Cost Impacts & Challenges of Environmentally Preferable Purchasing

Budgeting for Environmentally Preferable Purchasing (EPP) may be a challenge for state agencies, since in some cases, an EPP product may cost more up front, even if it saves money by lasting longer or using fewer resources over its life.

The Maryland Green Purchasing Committee is addressing the challenges of green purchasing by developing clear requirements for what constitutes "environmentally preferable" products and services; working with contractors and within the state's fiscal management and inventory system to identify green products; and developing a reporting mechanism to track progress.



Maryland Green Purchasing Committee

 $\frac{http://www.dgs.maryland.gov/GreenOperations/Gre}{enPurchasing/index.html}$

DGS.BuyGreen@maryland.gov